REMARKS

Claims 1-3, 5-9, 11-15, 17-21, 23, and 24 are pending in the present application. Claims 4, 10, 16, and 22 are canceled above. Claims 1, 5, 7, 11, 13, 17, 19, and 23 have been amended. Claims 1, 7, 13, and 19 are independent claims. The Examiner is respectfully requested to reconsider the outstanding rejections in view of the above amendments and the following remarks.

Rejection Under 35 U.S.C. § 103

Ohta/Noyama Rejection

Claims 1, 3, 5-7, 9, 11-13, 15, 17-19, 21, 23, and 24 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Ohta (EP 0924648 A2), hereinafter Ohta, in view of Noyama et al. (U.S. Patent No. 5,594,850), hereinafter Noyama. This rejection is respectfully traversed.

Applicant respectfully submits that in order to establish *prima facie* obviousness of a claimed invention under 35 U.S.C. § 103, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). It is respectfully submitted that Ohta and Noyama, taken alone or in combination, fails to teach or suggest all features in the present claims.

As amended, independent claims 1, 7, 13 and 19 now recite that the image-processing parameter is computed based on the natural-image region contained in the synthesized image, and that image processing is performed on the natural-image region in the intermediate image by using the appropriate image-processing parameter. This makes it possible to improve the image quality of the natural-image region in the synthesized image.

Further, in amended claims 1, 7, 13, and 19, when the CG-image contains only a single color, the synthesized image is appropriately divided into the natural-image region and the CG-image region. This allows image processing to be performed on the **natural-image region**

without being influenced by the color of the CG-image, thereby improving the image quality of the natural-image region in the synthesized image.

Applicant submits that the aforementioned claim features are neither taught nor suggested by Ohta and Noyama, taken separately or in combination. As such, this rejection under § 103 has been obviated.

At least for the reasons set forth above, Applicant submits that claims 1, 7, 13, and 19 are in condition for allowance. Accordingly, claims 3, 5, 6, 9, 11, 12, 15, 17, 21, 23, and 24 are allowable at least by virtue of their dependency on an allowable independent claim. Therefore, the Examiner is respectfully requested to reconsider and withdraw this rejection.

Ohta/Noyama/Joshi Rejection

Claims 2, 8, 14, and 20 stand rejected under § 103(a) as being unpatentable over Ohta and Noyama, and further in view of Joshi et al. (U.S. Patent No. 5,982,381), hereinafter Joshi. Applicant submits that Joshi fails to remedy the deficiencies of Ohta and Noyama set forth above in connection with independent claims 1, 7, 13, and 19. Accordingly, claims 2, 8, 14, and 20 are allowable at least by virtue of their dependency on claims 1, 7, 13, and 19, respectively. Therefore, the Examiner is respectfully requested to reconsider and withdraw this rejection.

Conclusion

In view of the above amendments and remarks, the Examiner is respectfully requested to reconsider the outstanding rejections and issue a Notice of Allowance in the present application.

All of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicants therefore respectfully request the Examiner to reconsider and withdraw all presently outstanding rejections. It is believed that a full and complete response has been made to the outstanding Office Action, and as such, the present application is in condition for allowance.

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Should the Examiner believe that any outstanding matters remain in the present application, the Examiner is respectfully requested to contact Jason W. Rhodes (Reg. No. 47,305) at the telephone number of the undersigned to discuss the present application in an effort to expedite prosecution.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies to charge payment or credit any overpayment to Deposit Account No. 02-2448 for any additional fees required under 37 C.F.R. §§ 1.16 or 1.17; particularly, extension of time fees.

Dated: August 7, 2008

Respectfully submitted.

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